

**COMMUNITY KEEPERS
(ASSOCIATION INCORPORATED
UNDER SECTION 21)
(Registration number 2008/013270/08)**

**AUDITED FINANCIAL STATEMENTS
for the year ended 31 December 2010**

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Community based business development projects
Directors	AP du Plessis PR Geldenhuys
Registered office	Trident Park I 1 Niblick Way SOMERSET WEST 7130
Business address	Oude Molen Distillery Road STELLENBOSCH 7600
Postal address	PO Box 3374 MATIELAND 7602
Bankers	ABSA Bank Ltd
Auditors	BGR Aucamp Scholtz Incorporated Registered Auditors
Company registration number	2008/013270/08

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Index

The reports and statements set out below comprise the audited financial statements presented to the directors:

Contents	Page
Report of the Independent Auditors	3 - 4
Directors' Responsibilities and Approval	5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 12
Notes to the Audited Financial Statements	13 - 15

The following supplementary information does not form part of the audited financial statements and is unaudited:

Statement of Financial Performance	16 - 17
------------------------------------	---------

Report of the Independent Auditors

To the directors of Community Keepers (Association Incorporated under Section 21)

We have audited the financial statements of Community Keepers (Association Incorporated under Section 21), which comprise the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 6 to 15.

Directors' Responsibility for the Audited Financial Statements

The company's directors are responsible for the preparation and fair presentation of these audited financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa, 1973. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of audited financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these audited financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the audited financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the audited financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the audited financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the audited financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the audited financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As in the case with similar organisations, it is not possible for the directors to apply accounting measures to cash collections during fund raising projects and donations before the actual recording of the collections in the accounting records. Likewise it was not possible for us to investigate the collections further than those that were recorded.

Report of the Independent Auditors

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the audited financial statements present fairly, in all material respects, the financial position of Community Keepers (Association Incorporated under Section 21) as at 31 December 2010, and its financial performance and cash flows for the year then ended in accordance with the South African Statement of Generally Accepted Accounting Practice for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa, 1973.

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that the supplementary information set out on pages 16 to 17 does not form part of the audited financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Accounting and Secretarial Duties

Without qualifying our opinion, we draw attention to the fact that with the written consent of the directors, we have performed certain accounting and secretarial duties.

A Scholtz
BGR Aucamp Scholtz Incorporated
Registered Auditors

Somerset West
05 April 2011

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 1973, to maintain adequate accounting records and are responsible for the content and integrity of the audited financial statements and related financial information included in this report. It is their responsibility to ensure that the audited financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the audited financial statements.

The audited financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2011 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's audited financial statements. The audited financial statements have been examined by the company's external auditors and their report is presented on page 3 to 4.

The audited financial statements set out on page 6 to 15, which have been prepared on the going concern basis, were approved and signed by the directors on 05 April 2011.

AP du Plessis

PR Geldenhuys

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Directors' Report

The directors submit their report for the year ended 31 December 2010.

1. Review of activities

Main business and operations

The company is engaged in community based business development projects and operates in South Africa.

The operating results and state of affairs of the company are fully set out in the attached audited financial statements and do not in our opinion require any further comment.

Net surplus of the company was R 54 924 (2009: R 392 943).

2. Going concern

The audited financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The company's existence is dependant on future donations to continue its operations.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under review.

5. Non-current assets

Details of major changes in the nature of the non-current assets of the company during the year are set out in note 2 of the financial statements.

6. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality
AP du Plessis	South African
PR Geldenhuys	South African

7. Secretary

The company had no secretary during the year.

8. Auditors

BGR Aucamp Scholtz Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

Community Keepers (Association Incorporated under Section 21)
 (Registration number 2008/013270/08)
 Audited Financial Statements for the year ended 31 December 2010

Statement of Financial Position

	Notes	31 December 2010 R	31 December 2009 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	7 767	2 887
Current Assets			
Trade and other receivables	3	-	25 650
Cash and cash equivalents	4	440 598	369 250
		440 598	394 900
Total Assets		448 365	397 787
Equity and Liabilities			
Equity			
Retained income		447 867	392 943
Liabilities			
Current Liabilities			
Trade and other payables	5	498	4 844
Total Equity and Liabilities		448 365	397 787

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Statement of Comprehensive Income

		12 months ended 31 December 2010 R	10 months ended 31 December 2009 R
Revenue		675 802	732 391
Other income		3 830	-
Operating expenses		(641 258)	(348 071)
Operating surplus	6	38 374	384 320
Investment revenue	7	16 550	8 623
Surplus for the year		54 924	392 943
Other comprehensive income		-	-
Total comprehensive surplus for the year		54 924	392 943

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 March 2009	-	-
Changes in equity		
Total comprehensive income for the year	392 943	392 943
Total changes	392 943	392 943
Balance at 01 January 2010	392 943	392 943
Changes in equity		
Total comprehensive income for the year	54 924	54 924
Total changes	54 924	54 924
Balance at 31 December 2010	447 867	447 867

Community Keepers (Association Incorporated under Section 21)
(Registration number 2008/013270/08)
Audited Financial Statements for the year ended 31 December 2010

Statement of Cash Flows

	Notes	12 months ended 31 December 2010 R	10 months ended 31 December 2009 R
Cash flows from operating activities			
Cash receipts from donors		675 802	732 391
Cash paid to suppliers and employees		(614 011)	(368 614)
Cash generated from operations	9	61 791	363 777
Interest income		16 550	8 623
Net cash from operating activities		78 341	372 400
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(6 993)	(3 150)
Total cash movement for the year		71 348	369 250
Cash at the beginning of the year		369 250	-
Total cash at end of the year	4	440 598	369 250

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Accounting Policies

1. Presentation of Audited Financial Statements

The audited financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and the Companies Act of South Africa, 1973. The audited financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	6 years

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

1.2 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Accounting Policies

1.3 Revenue

When the outcome of a transaction involving the receipt of donations can be estimated reliably, revenue associated with the transaction is recognised at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred for the transaction can be measured reliably.

When the outcome of the transaction involving the receipt of donations cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.4 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Notes to the Audited Financial Statements

	2010	2009
	R	R

2. Property, plant and equipment

	2010			2009		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	6 993	(1 588)	5 405	-	-	-
Furniture and fixtures	3 150	(788)	2 362	3 150	(263)	2 887
Total	10 143	(2 376)	7 767	3 150	(263)	2 887

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Depreciation	Total
Computer equipment	-	6 993	(1 588)	5 405
Furniture and fixtures	2 887	-	(525)	2 362
	2 887	6 993	(2 113)	7 767

Reconciliation of property, plant and equipment - 2009

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	-	3 150	(263)	2 887

3. Trade and other receivables

Deposit	-	25 650
---------	---	--------

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	440 593	369 250
Cash on hand	5	-
	440 598	369 250

5. Trade and other payables

Trade payables	498	4 844
----------------	-----	-------

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Notes to the Audited Financial Statements

	2010	2009
	R	R
6. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Depreciation	2 113	263
Employee costs	448 234	205 694
7. Investment revenue		
Bank	16 550	8 623
8. Auditors' remuneration		
Audit fees	5 130	-
Tax and secretarial services	2 212	1 448
	7 342	1 448
9. Cash generated from operations		
Surplus before taxation	54 924	392 943
Adjustments for:		
Depreciation	2 113	263
Interest received	(16 550)	(8 623)
Changes in working capital:		
Trade and other receivables	25 650	(25 650)
Trade and other payables	(4 346)	4 844
	61 791	363 777
10. Director's remuneration		
Executive		
2010	Remuneration	Total
For services as director	145 905	145 905
2009	Remuneration	Total
For services as director	105 233	105 233

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Notes to the Audited Financial Statements

2010
R

2009
R

11. Taxation

No provision has been made for 2010 tax as the company is exempt from income tax.

12. Comparative figures

The previous reporting period was shorter than a year, therefore comparative amounts are not comparable to the current balances.

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Statement of Financial Performance

	Note	12 months ended 31 December 2010 R	10 months ended 31 December 2009 R
Revenue			
Donations received		675 802	732 391
Other income			
Activity income		3 830	-
Interest received		16 550	8 623
		20 380	8 623
Expenses (Refer to page 17)		(641 258)	(348 071)
Surplus for the year		54 924	392 943

Community Keepers (Association Incorporated under Section 21)

(Registration number 2008/013270/08)

Audited Financial Statements for the year ended 31 December 2010

Statement of Financial Performance

		12 months ended 31 December 2010 R	10 months ended 31 December 2009 R
	Note		
Operating expenses			
Advertising		47 189	30 438
Auditors' remuneration	8	7 342	1 448
Bank charges		5 499	4 343
Cleaning		-	480
Computer expenses		9 202	-
Consulting and professional fees		77 724	68 686
Depreciation		2 113	263
Employee costs		448 234	205 694
Facilities erected		20 374	16 145
Gifts		804	1 700
Office expenses		2 014	7 562
Printing and stationery		2 157	2 715
Staff expenses		120	3 335
Subscriptions		50	200
Telephone and fax		578	354
Training services		15 107	3 442
Travelling expenses		2 751	1 266
		641 258	348 071